

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 10/26/64	INVESTIGATIVE PERIOD 8/3 - 10/3/64
TITLE OF CASE LOUIS ARGER, aka		REPORT MADE BY SA JOHN H. WILMES	TYPED BY ejh
		CHARACTER OF CASE AR	

REFERENCE: Report of SA JOHN H. WILMES dated 7/28/64 at Chicago.

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ENCLOSURE

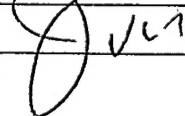
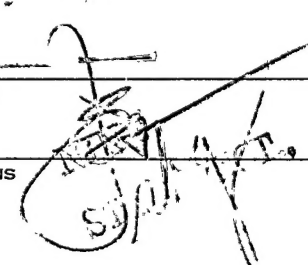
TO BUREAU

Two copies of a letterhead memorandum setting forth characterization of informants used in this report.

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will conduct and report investigation regarding activities and associates of the subject.

APPROVED 	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: (3) - Bureau (Enc. 2) 1 - USA, Chicago 2 - Chicago (92-1039)		72-5111-20	REC-52
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DISSEMINATION RECORD OF ATTACHED REPORT			
AGENCY	1-Dept 11-5-64		
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			
		NOTATIONS	

68 NOV 6 1964

CG 92-1039

INFORMANTS

Person Contacted

Date

Contacting Agent

CG T-1 is

9/17/64

SA JOHN H. WILMES

b7C per USCIS

Investigator,
Immigration and
Naturalization
Service

CG T-2 is

6/22 & 24/64

SA JOHN H. WILMES

PCI

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CG T-3 is

b7C

CG 6576-C*

b7D

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COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA JOHN H. WILMES
Date: 10/26/64

Office: Chicago, Illinois

Field Office File No.: 92-1039

Bureau File No.:

Title: LOUIS ARGER

Character: ANTI-RACKETEERING

Synopsis:

LOUIS ARGER resides at 6128 North Keating, Chicago, Illinois. ARGER appears to be in good health since recovery from a heart attack in April, 1964. ARGER has a 1964 Pontiac with 1964 Illinois license number HX 4964. The matter regarding citizenship status of ARGER is pending. Motor boat reported to be ARGER's purchased in Florida by [redacted] License of Crossroads Restaurant remains revoked pending an appellate court ruling. ARGER refused to testify at deposition hearing in a libel suit against the Chicago Sun Times by [redacted] of Crossroads Restaurant. Automobile registered to ARGER's wife observed at wake of Chicago hoodlum FRANK FERRARO.

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CG 92-1039

DETAILS:

I. BACKGROUND

Residence

On September 18, 1964, LOUIS ARGER was observed to maintain his residence at 6128 North Keating in the Sauganash Section of Chicago.

Status of Health

Subject has not been reported to be ill since he suffered a heart attack in April, 1964, and observation of ARGER indicates that he is in apparent good health.

Automobile Used By Subject

In September, 1964, LOUIS ARGER was observed driving a 1964 Pontiac Grand Prix, bearing 1964 Illinois license number HX 4964 and also bearing a Henry Susk Pontiac Agency sticker. [redacted] an automobile agency that has previously been reported to be hoodlum dominated.

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Records of the Illinois Department of Motor Vehicles indicated HX 4964 is registered to MARION ARGER, 6128 North Keating, Chicago, for a 1964 Pontiac, Serial number 962P4509.

Citizenship Status

On September 17, 1964, CG T-1 advised that the matter regarding LOUIS ARGER's citizenship status is in the hands of the United States Attorney's Office and there has been no change in the past several months.

II. ASSOCIATES

CG T-2 advised in June and July, 1964, that LOUIS ARGER has a motor boat named the "Hi Pal" which is maintained in slip number 12 at Burnham Harbor in Chicago. T-2 noted that ARGER has been very close to [redacted] a [redacted] on the Chicago Police Department, who drives a 1962 Buick and also with a [redacted] named [redacted].

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The following investigation was conducted by SA [redacted] at Fort Lauderdale, Florida:

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[redacted] Miller's Boat Works, 1445 Southeast 16th Street, advised August 18, 1964, that he was the owner of boat bearing Florida Registration Number [redacted]. He exhibited a Bill of Sale for the boat reflecting it was sold to one [redacted] in May, 1964, and was shipped to Chris Craft Boat Sales of Chicago, 2500 Ashland Avenue, Chicago, Illinois. He advised that he actually delivered the boat to [redacted] of Rodi Boat Works, 401 Southwest 1st Avenue, Fort Lauderdale. He stated [redacted] had inspected the boat sometime previously.

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[redacted] Rodi Boat Works, Fort Lauderdale, advised August 20, 1964, that [redacted] whom he does not know, called him sometime in May, 1964, and asked him to buy the boat in question from [redacted] of Chicago. He checked with [redacted] for a price and relayed this information to [redacted], who bought the boat for \$4,500. [redacted] stated that the Chris Craft Boat Sales of Chicago, 2500 South Ashland Avenue, Chicago, is part of the [redacted] operation. He advised that it is his recollection that [redacted] paid the account at the Chicago office in cash. He advised that he knows LOUIS ARGER, having met him around the boat yards in Chicago, and understands he is one of the "South State Street Boys" and had racket connections.

Records of the Chicago Police Department indicate that a number of automobiles were observed on August 25, 1964, at the wake of FRANK FERRARO, a prominent hoodlum in the Chicago area for many years who died of cancer on August 22, 1964.

Among the licenses observed on automobiles at the wake was a 1964 Illinois license HX 4964 which is registered to MARION ARGER, 6128 North Keating, Chicago, Illinois. FERRARO's wake was held at the Montclair Funeral Home, 6901 West Belmont, Chicago, Illinois.

III. ACTIVITIES

The Chicago American, Green Streak Edition, for August 5, 1964, indicated that the license for the Crossroads Restaurant at 400 South State Street in Chicago was ordered restored by Circuit Court Judge DONALD S. MC KINLAY; however, the Chicago American 3-Star Final for August 7, 1964, indicated that the license for the Crossroads Restaurant was suspended by a court order pending an appellate court ruling.

The Chicago Sun Times, 5-Star Final Edition dated September 10, 1964, contained an article captioned "ARGER Pleads 5th On Any Connection With Crossroads" which sets out the following information:

"Gangster Louis Arger testified Wednesday that he might incriminate himself if he revealed whether he ever had received any money from a former honky-tonk, the Crossroads at 400 South State.

"The 58-year old Arger invoked the Fifth Amendment 16 times at a deposition hearing in a libel suit against The Sun-Times by William Fishman, former operator of the Crossroads.

"Arger, identified by congressional investigators as an ally of Chicago's Cosa Nostra clan, was subpoenaed to appear at the hearing by attorneys for The Sun-Times.

Ducks On Acquaintance

"Pleading fear of possible self-incrimination, Arger refused to say whether he knew Fishman.

"At previous depositions on his lawsuit, Fishman testified that in 1963 Arger was in the Crossroads 'four (or) five times a day.'

"In the libel suit, Fishman asserted that he is 'not a "front man" for Cosa Nostra gansters' and that he 'never admitted acquaintanceship with such gansters as ... Arger.'

"Fishman's suit contended that the Crossroads 'was not ... controlled by Cosa Nostra gangsters.'

"Arger cited the Fifth Amendment also to avoid saying whether he held interests in seven other B-girl cafes in the 1st Ward.

"The seven are the Holiday Show Lounge, the Star and Garter, the Cabana Club, Eddy Foy's Club, the Club Rouge, The Showboat and the 606 Club.

"Six of the 1st Ward cafes were closed by authorities during a vice expose by The Sun-Times.

"Four of the honky-tonks, including the Crossroads, were closed by the city for liquor law violations. Two more were padlocked by the U.S. government for cabaret tax delinquencies. Only the 606 Club and the Showboat still are open.

Gives Only Name, Address

"Arger declined to give any answer--other than his name and address--during his deposition on the ground that 'any answer' might incriminate him.

"His attorney, Marshall Schwarzbach, said he advised Arger to invoke his constitutional rights because he and Arger had been informed 'that there is a possible charge of criminal responsibility in this matter.'

"Arger then testified that he might incriminate himself if he stated whether he was married, whether he was born in Greece in 1907, whether he obtained U.S. citizenship in 1939 and how long he has lived at 6128 N. Keating."

CG 92-1039

CG T-3 advised in May, 1964 that LOUIS ARGER said he had been informed that he was "out of business" as far as the strip joints were concerned. ARGER noted that he thought he might be able to save the Chez Dot but not the Holiday Lounge or the Star and Garter even though he had been there for a number of years.